

HOUSE APPROPRIATIONS COMMITTEE HEARING
FEBRUARY 19, 2004 - 8:30 A.M.
ROOM 351 – HOUSE APPROPRIATIONS, CAPITOL
REMARKS OF CHIEF JUSTICE MAURA D. CORRIGAN

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I APPRECIATE THE OPPORTUNITY TO SPEAK WITH YOU ABOUT THE JUDICIAL BRANCH BUDGET REQUEST FOR FY 2005 TODAY. WITH ME IS CHIEF JUDGE BILL WHITBECK OF THE COURT OF APPEALS, WHO WILL BE SPEAKING TO YOU IN A FEW MINUTES. I KNOW THE MEMBERS OF OUR STAFF ARE FAMILIAR TO YOU, SO I WILL DISPENSE WITH INTRODUCTIONS. THEY ARE HERE TO HELP ME ANSWER ANY QUESTIONS YOU MAY HAVE AFTER I MAKE MY REMARKS.

I ALSO THANK THE COMMITTEE FOR THE MANY COURTESIES EXTENDED TO ME AND THE STAFF

OVER THE YEARS. I TRUST THAT WE WILL ENJOY THE SAME COOPERATION AND TRUST THIS YEAR THAT WE HAVE IN THE PAST. WHILE OUR BUDGET IS A SMALL ONE FOR STATE GOVERNMENT, LESS THAN 1% OF THE GROSS STATE BUDGET, OUR RESPONSIBILITIES IN THIS BRANCH ARE TREMENDOUS. AND ALTHOUGH WE ARE A SMALL PART OF THE STATE BUDGET, WE ARE KEENLY AWARE OF OUR RESPONSIBILITY TO FIND REVENUE SOURCES, AS WELL AS CUT COSTS.

WHEN MY COLLEAGUE MICHAEL CAVANAGH WAS CHIEF JUSTICE, A REPORTER ONCE ASKED HIM WHETHER THE COURT AND SCAO WERE PREPARED TO "TIGHTEN THEIR BELTS" IN ANTICIPATION OF SOME EXPECTED BUDGET CUTS. JUSTICE CAVANAGH, WITH HIS USUAL QUICK WIT,

RESPONDED, “WE’VE TIGHTENED OUR BELTS SO MUCH ALREADY THAT THEY’RE UP AROUND OUR NECKS!”

WELL, I WON’T SAY THAT OUR BELTS ARE AROUND OUR NECKS, BECAUSE WE’VE WORKED VERY HARD, OVER THE YEARS – NOT ONLY TO CUT COSTS AND DO MORE WITH LESS, BUT TO SEE WHERE WE, THE JUDICIAL BRANCH, MIGHT HELP THE STATE IDENTIFY SOURCES OF REVENUE. I’D LIKE TO SHARE WITH YOU A FEW EXAMPLES OF WHAT WE HAVE DONE TO BE GOOD STEWARDS OF THE TAXPAYERS’ MONEY.

WE’VE CERTAINLY DONE SOME BELT-TIGHTENING OVER THE YEARS. AT THE BEGINNING OF 2001, THERE WERE 529 EMPLOYEES ON THE JUDICIARY PAYROLL. AS OF LAST WEEK’S PAY

DATE, THERE WERE 455 EMPLOYEES, 74 LESS THAN IN 2001. THIS REPRESENTS A DECREASE OF ALMOST 14 PERCENT, ACHIEVED THROUGH ATTRITION, LAYOFFS, AND NOT REPLACING EARLY RETIREES. WE WOULD LIKE TO FILL A LIMITED NUMBER OF POSITIONS, BUT WE'VE HELD OFF ON DOING SO BECAUSE WE FACED HIGHER COSTS FOR SUCH ITEMS AS HEALTH CARE AND STATE RETIREMENT CHARGES, AND BECAUSE WE WANTED TO AVOID FURTHER LAYOFFS WHICH WOULD AFFECT PUBLIC SERVICES. IN FY 2004, OUR JUDICIAL BRANCH EMPLOYEES DID NOT RECEIVE THE COST OF LIVING INCREASE THAT MOST EXECUTIVE BRANCH EMPLOYEES RECEIVED.

IT IS THEREFORE VERY HEARTENING THAT THE GOVERNOR HAS RECOMMENDED THAT WE BE

ALLOWED TO REPLACE GENERAL FUND REDUCTIONS WITH RESTRICTED FEE REVENUE AND HAS RECOMMENDED ECONOMIC INCREASES THAT WILL, I HOPE, NOT ONLY ALLOW US TO COVER RISING COSTS BUT ENABLE US TO PROVIDE SOME KIND OF PAY ADJUSTMENT FOR JUDICIARY EMPLOYEES.

REALIZING THAT FISCAL HEALTH IS NOT JUST A MATTER OF CUTTING COSTS, BUT FINDING REVENUE, I WOULD LIKE TO TOUCH ON SOME OF OUR EFFORTS IN THAT REGARD, AND ALSO ON WHAT WE PLAN TO DO GOING FORWARD.

AS YOU KNOW, AS PART OF THE FY 2004 BUDGET, WE ADVOCATED INCREASES IN SOME CIVIL FILING FEES, AND REVISED THE SYSTEM OF ASSESSMENTS AND COSTS IN CRIMINAL CASES. I

DON'T YET HAVE NUMBERS TO SHARE WITH YOU AND IT IS TOO EARLY TO ASSESS THE IMPACT OF THAT LEGISLATION, BUT WE DO BELIEVE THAT THESE INCREASES WILL WORK TO OFFSET OUR GENERAL FUND REDUCTIONS. SOME OF THE MONEY ALSO GOES TO TECHNOLOGICAL IMPROVEMENTS FOR THE JUDICIAL BRANCH AND TO MAINTAIN DRUG COURT FUNDING, BOTH OF WHICH I WILL TOUCH ON LATER. I WANT TO HIGHLIGHT ANOTHER IMPORTANT CONTRIBUTION WE'VE MADE ON THE REVENUE SIDE.

THE STATEWIDE CONVERSION TO THE MICHIGAN CHILD SUPPORT ENFORCEMENT SYSTEM WAS ATTENDED BY MANY DIFFICULTIES; THE FOCUS IS AND MUST BE ON MAKING MICSES MORE RESPONSIVE TO THE NEEDS OF THOSE WHO USE

IT. BUT, AS YOU KNOW, MICHIGAN COMPLETED THE TRANSITION TO MICSES BY THE OCTOBER 1 DEADLINE LAST YEAR. BECAUSE THE SYSTEM HAS BEEN CERTIFIED BY FEDERAL AUTHORITIES AFTER 19 YEARS OF TRYING, MICHIGAN NOT ONLY AVOIDED \$147 MILLION IN FEDERAL PENALTIES, BUT RECOUPED \$35 MILLION IN PENALTIES ALREADY PAID. THIS FIGURE IS ALREADY FOLDED INTO THE FY 2004 BUDGET. YOU ALL KNOW THE ROLE THAT THE JUDICIAL BRANCH PLAYED IN MEETING THE FEDERAL DEADLINE AND AVERTING PENALTIES. AND IN RECOGNITION OF THAT ROLE, \$6 MILLION WAS EARMARKED FOR THE JUDICIAL TECHNOLOGY IMPROVEMENT FUND.

PART OF THE MONEY WILL GO TOWARDS CONTINUING TO BRING ALL OUR STATE COURTS

INTO THE 21ST CENTURY. THREE YEARS AGO, A NUMBER OF OUR TRIAL COURTS WERE OPERATING PRETTY MUCH AS THEY HAD BACK IN THE DAYS OF ROLLTOP DESKS AND HORSE-DRAWN CARRIAGES: NO COMPUTER SYSTEM, NO DATABASES, NO ELECTRONIC RECORDS. AT THE OPPOSITE END OF THE SPECTRUM, WE HAD STATE COURTS WITH VERY SOPHISTICATED COMPUTER SYSTEMS. THE PROBLEM WAS THAT NONE OF THOSE SYSTEMS COULD TALK TO EACH OTHER. THROUGH THE JUDICIAL TECHNOLOGY IMPROVEMENT FUND, WE ARE NOT ONLY GETTING COMPUTER SYSTEMS SET UP IN EVERY COURT IN THE STATE, BUT WE ARE GOING TO MAKE SURE THAT THEY ARE CONNECTED, VIA A STATEWIDE TELECOMMUNICATIONS STRUCTURE, TO LAW

ENFORCEMENT AND OTHER AGENCIES AS WELL AS TO EACH OTHER. AS OF THIS MONTH, HARDWARE INSTALLATION IS COMPLETE IN ALL COURTS IN 38 COUNTIES. IN AN ADDITIONAL 27 COUNTIES, HARDWARE INSTALLATION HAS BEEN COMPLETED IN THE CIRCUIT AND PROBATE COURTS. OF THOSE 65 COUNTIES, 51 ARE NOW CONNECTED TO THE STATE'S LOCAL GOVERNMENT NETWORK, OR LG NET, AND COURTS IN THESE COUNTIES TRANSMIT CRIMINAL HISTORY RECORDS TO THE STATE POLICE CRIMINAL INFORMATION JUSTICE CENTER, ALLOWING FOR IMMEDIATE UPDATES OF RECORDS. ALL THE REMAINING COURTS ARE SCHEDULED TO HAVE HARDWARE INSTALLED, AND TO BE CONNECTED TO LG NET, BY THE END OF THIS YEAR. SO THE DAY IS NOT FAR OFF WHEN COURTS

ACROSS MICHIGAN CAN SHARE THEIR CRIMINAL CASE DATABASES IN REAL TIME WITH THE STATE POLICE, LOCAL POLICE, SECRETARY OF STATE, AND FEDERAL AUTHORITIES, WITH CORRESPONDING BENEFITS FOR LAW ENFORCEMENT. ALSO IN THE WORKS IS A STATEWIDE DATA WAREHOUSE OF COURT INFORMATION, SO THAT WE CAN JOIN THE CURRENTLY 41 SEPARATE CASE MANAGEMENT SYSTEMS USED BY OUR COURTS. THAT PROJECT IS SCHEDULED TO INCLUDE 21 COUNTIES BY THE END OF FY 2005.

I WOULD LIKE TO TOUCH BRIEFLY ON TWO OTHER JTIF PROJECTS, ONE OF WHICH IS BEING TRIED OUT IN A PILOT COURT JUST THIS MONTH, AND THAT IS ELECTRONIC PAYMENT OF TRAFFIC TICKETS. I'M SURE NO ONE IN THIS ROOM WILL

NEED TO TAKE ADVANTAGE OF THIS SERVICE, BUT YOU MAY BE INTERESTED TO KNOW THAT IT WILL BE POSSIBLE TO PAY TICKETS IN MULTIPLE COURTS WITH A SINGLE CREDIT CARD TRANSACTION. WE EXPECT TO ADD 20 MORE COURTS TO THIS PROJECT IN THE REMAINDER OF FY 2004 AND IN FY 2005.

THE OTHER PROJECT IS ELECTRONIC FILING, WHICH IS STILL IN THE PLANNING STAGE. SCAO IS TAKING APPLICATIONS FROM COURTS THAT ARE INTERESTED IN PARTICIPATING AS PILOT COURTS. WE'RE VERY EXCITED ABOUT THIS PROJECT, BECAUSE ULTIMATELY IT MEANS, NOT JUST GREATER CONVENIENCE FOR LITIGANTS, BUT MORE AND BETTER INFORMATION FOR THE PUBLIC. CHECKING CASE FILINGS, FOR EXAMPLE, WILL BE A

MATTER OF CLICKING ON ENTRIES IN AN ON-LINE DOCKET STATEMENT. COURT FORMS WILL BE PROVIDED, FILLED OUT, AND SUBMITTED ONLINE.

IMPROVING COLLECTIONS HAS BEEN AND CONTINUES TO BE A TOP PRIORITY. I MENTIONED EARLIER THE FEE INCREASES THAT WENT INTO EFFECT AS PART OF OUR FY 2004 BUDGET. THE JOB IS NOT COMPLETE, HOWEVER, IF WE ARE NOT EFFECTIVE IN COLLECTING THE MONEY. TO THAT END, WE ARE IN THE PROCESS OF HIRING A TRIAL COURT COLLECTIONS SPECIALIST. THIS POSITION REPRESENTS A FIRST FOR SCAO: A FULL-TIME EMPLOYEE DEDICATED TO HELPING COURTS INCREASE COLLECTIONS.

IN ADDITION, THROUGH SCAO, THE COURT CONTINUES TO PROMOTE BEST PRACTICES AND

GUIDELINES FOR IMPROVING COLLECTIONS. IT'S A MULTI-PRONGED EFFORT THAT INCLUDES TRAINING FOR JUDGES AND STAFF, TECHNICAL ASSISTANCE, SOFTWARE ENHANCEMENTS AND AUDITS.

FINALLY, YOU WILL SEE FROM OUR BUDGET PROPOSAL THAT WE PLAN TO CONTINUE FUNDING OF THE STATE'S DRUG COURT PROGRAM AT THE SAME LEVEL AS FY 2004. YOU WILL RECALL THAT DRUG COURT FUNDING INCREASED SIGNIFICANTLY FROM 2003, BUT I THINK THAT INCREASE WAS WELL MERITED. YESTERDAY, I SPOKE AT THE FIFTH ANNUAL CONFERENCE OF MICHIGAN DRUG COURT PROFESSIONALS, AND MY THEME WAS THE INTEGRATION OF DRUG COURTS AND OTHER PROBLEM-SOLVING COURTS INTO THE MAINSTREAM OF OUR JUSTICE SYSTEM. MICHIGAN

HAS HISTORICALLY BEEN A LEADER IN THE DRUG COURT MOVEMENT, THANKS IN LARGE PART TO THE VISION OF JUDGE BILL SCHMA OF KALAMAZOO. WE CURRENTLY HAVE 36 DRUG COURTS OPERATING IN MICHIGAN, WITH ANOTHER 27 IN THE PLANNING STAGES. I SERVE AS CO-CHAIR OF THE PROBLEM-SOLVING COURTS COMMITTEE OF THE CONFERENCE OF CHIEF JUSTICES, AND I THINK YOU WOULD BE VERY PLEASED, AND PERHAPS SURPRISED, TO LEARN JUST HOW EFFECTIVE DRUG COURTS HAVE BECOME. ACCORDING TO THE NATIONAL DRUG COURT INSTITUTE, \$10 IS SAVED FOR EVERY DOLLAR SPENT ON DRUG COURT. AND ACCORDING TO THE NATIONAL ASSOCIATION OF DRUG COURT PROFESSIONALS, THE COST OF INCARCERATING ONE PRISONER RANGES FROM

\$20,000 TO \$50,000 PER YEAR, WHILE DRUG COURT TYPICALLY COSTS BETWEEN \$2,500 TO \$4,000 PER OFFENDER. NADCP ALSO REPORTS THAT THE RECIDIVISM RATE FOR DRUG COURT GRADUATES RANGES FROM 4 TO 29 PERCENT. COMPARE THAT TO THE TYPICAL RECIDIVISM RATES OF 60 TO 80 PERCENT FOR THOSE WHO DO NOT PARTICIPATE. DRUG COURTS NOT ONLY SAVE TAXPAYER DOLLARS – AND FREE UP SPACE IN OVERCROWDED PRISONS FOR VIOLENT OFFENDERS – BUT THEY RETURN INCALCULABLE BENEFITS TO SOCIETY IN THE FORM OF PRODUCTIVE, STABLE HUMAN BEINGS. I THINK IT'S CLEAR THAT OUR DRUG COURT FUNDING IS MONEY WELL SPENT. MOREOVER, DRUG COURTS, AND PROBLEM-SOLVING COURTS IN GENERAL, HAVE PROVEN TO

BE MUCH MORE THAN A NOVELTY. THE TIME HAS COME, AS I SAID YESTERDAY, TO THINK ABOUT HOW TO INCORPORATE THESE COURTS INTO THE MAINSTREAM – AND PERHAPS TRANSFORM THE JUSTICE SYSTEM IN THE PROCESS.

I WILL BE GLAD TO TAKE ANY QUESTIONS YOU MAY HAVE FOR ME. THANK YOU AGAIN FOR THIS OPPORTUNITY TO ADDRESS YOU.
